

FISCAL NOTE

Bill #: HB0305

Title: Transition benefit credit

Primary

Sponsor: David Ewer

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Revenue:		
General Fund	(\$30,000,000)	\$0

Net Impact on General Fund Balance:

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

Department of Revenue

1. HB305 would provide for generation sale premium revenue equal to the selling price of electric generation assets less the book value of such assets and any reasonable transactions costs. These revenues would be deposited into a generation sale premium credit special revenue account to be used to reduce the utility bills of electric consumers in Montana. The department has not made an assumption regarding the amount of the generation sale premium.
2. This proposal also exempts from taxation under Title 15, chapter 31 (corporation license tax) any capital gains from the sale of generation assets during the period December 1, 1998 and October 1, 1999. For purposes of this fiscal note, it is assumed that the sale of utility generation assets will occur during this time period. Preliminary estimates indicate that, under current law, general fund revenue from the sale would increase by \$30 million in fiscal 2000. Under the proposal these revenues would not accrue to the state.

(continued)

Department of Commerce

3. The reference to the Board of Investments is in current law.
4. HB305 does not change current law regarding the Board of Investment role in issuing transition bonds.
5. The board does not anticipate issuing bonds under this section of law.
6. There is no fiscal or workload impact on the board.

Public Service Regulation

7. There is no fiscal impact to the department budget.

FISCAL IMPACT:

	FY2000 <u>Difference</u>	FY2001 <u>Difference</u>
<u>Revenues:</u>		
General Fund (01)	(\$30,000,000)	\$0